

BUTTE COUNTY ECONOMIC FORECAST

Butte County is the largest California county in terms of population north of the Bay Area and the Sacramento Valley. The county borders Tehama, Glenn, Colusa, Sutter, Yuba, and Plumas Counties. Butte County has a population of 216,400 people and 76,000 wage and salary jobs. The per capita income in Butte County is \$26,051, and the average salary per worker is \$33,698. The median family income in 2006 is \$49,700.

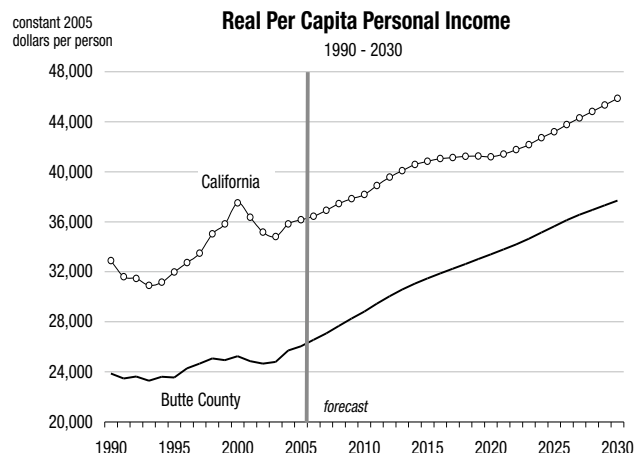
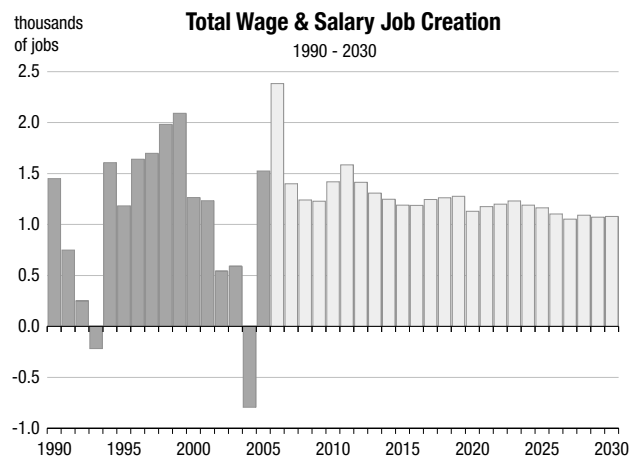
In 2005, 1,525 total wage and salary jobs were created in Butte County, representing an increase in employment of 2.0 percent. All of the growth was in the non-farm sectors, as farm employment was flat. The unemployment rate increased slightly to 7.4 percent in 2005.

The principal sectors that are producing jobs in Butte County are government, leisure services, construction, and education and healthcare. Each of these sectors created 250 or more jobs last year. The public sector created the most new jobs in 2005, adding 380 employees. The only sector to have a significant drop in employment was information, which lost nearly 120 jobs. The largest sectors in the county are government, retail trade, and education and healthcare services.

The population grew in Butte County at a rate of 0.9 percent in 2005. The largest city in the county is Chico, which added over 5,000 residents between January 2005 and January 2006, a majority of them annexed into the city from previously unincorporated areas. Net migration was positive last year, with an estimated total of 2,100 migrants entering the county.

FORECAST HIGHLIGHTS

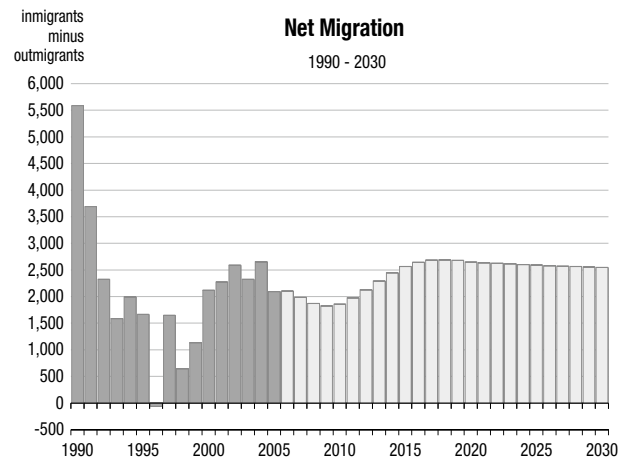
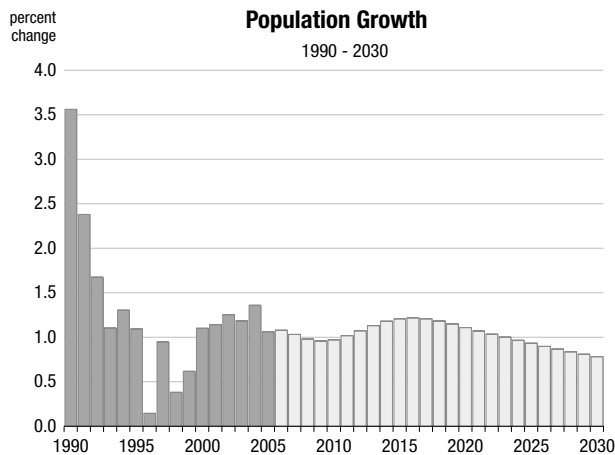
- Total wage and salary job growth is forecast to increase to 3.1 percent in 2006. From 2006 to 2010, total employment growth averages 1.9 percent per year.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 1.7 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in professional services, education and healthcare services, trade, leisure services and government. These sectors account for 77 percent of all jobs created in the county over the next five years.
- The population in the county will continue to grow at a modest rate. Annual growth in the 2006 to 2010 period averages 1.0 percent per year.
- Net migration will remain at 2,100 people in 2006. Over the next five years net migration is expected average 1,930 net migrants entering the county per year. Net migration accounts for over 85 percent of population growth.
- Real per capita income is forecast to increase 1.9 percent in 2006. Over the next five years real per capita incomes are expected to increase an average of 2.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 8.3 percent in 2006. Over the next five years real taxable sales are forecast to increase 5.5 percent per year.
- Industrial production is forecast to increase 2.3 percent in 2006. Over the next five years the growth rate of industrial production will increase, with total production rising 2.9 percent per year. After a record harvest in 2005, total crop production, adjusted for inflation, is expected to decline an average of 4.4 percent per year between 2006 and 2010.



Butte County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	199,630	1,649	175.1	80.1	591	\$1.66	\$3.89	\$24,654	3.4	386.5	0.63	8.7
1998	200,393	647	184.4	80.7	910	\$1.71	\$4.10	\$25,079	3.2	261.5	0.69	8.4
1999	201,632	1,135	189.8	81.6	960	\$1.90	\$4.28	\$24,936	4.2	307.9	0.72	6.8
2000	203,857	2,119	196.8	79.6	1,078	\$2.04	\$4.57	\$25,241	4.5	328.0	0.77	6.1
2001	206,187	2,273	205.9	80.3	1,044	\$2.15	\$4.80	\$24,860	5.4	272.0	0.63	6.5
2002	208,779	2,591	209.9	81.4	1,185	\$2.22	\$4.90	\$24,666	1.6	302.2	0.65	7.3
2003	211,251	2,325	210.0	82.5	1,825	\$2.33	\$5.07	\$24,794	1.8	342.9	0.72	7.5
2004	214,123	2,655	222.8	83.8	1,993	\$2.55	\$5.39	\$25,704	1.2	349.6	0.72	7.3
2005	216,401	2,096	222.9	85.5	1,683	\$2.69	\$5.64	\$26,051	2.0	432.0	0.75	7.4
2006	218,739	2,103	224.8	87.3	1,662	\$2.91	\$6.03	\$26,553	3.9	381.4	0.77	6.9
2007	220,999	1,988	227.8	88.9	1,565	\$3.08	\$6.37	\$27,074	2.4	365.6	0.79	7.1
2008	223,169	1,872	231.4	90.5	1,494	\$3.22	\$6.70	\$27,662	2.0	373.5	0.82	7.7
2009	225,313	1,825	235.3	91.9	1,477	\$3.36	\$7.05	\$28,261	2.0	353.7	0.84	8.0
2010	227,507	1,860	239.4	93.4	1,477	\$3.52	\$7.45	\$28,825	2.5	341.8	0.86	7.9
2011	229,825	1,976	243.9	94.9	1,547	\$3.67	\$7.87	\$29,454	2.4	345.7	0.90	7.8
2012	232,298	2,129	248.6	96.4	1,606	\$3.83	\$8.30	\$30,052	2.2	337.8	0.93	8.0
2013	234,931	2,294	253.4	98.0	1,603	\$4.00	\$8.74	\$30,577	2.3	325.9	0.97	8.0
2014	237,706	2,446	258.1	99.6	1,609	\$4.18	\$9.19	\$31,065	2.3	321.9	1.01	8.0
2015	240,583	2,565	262.8	101.2	1,601	\$4.37	\$9.67	\$31,482	2.5	314.0	1.04	8.0
2016	243,517	2,644	267.3	102.8	1,593	\$4.58	\$10.17	\$31,871	2.7	306.0	1.08	7.9
2017	246,465	2,685	271.7	104.3	1,550	\$4.79	\$10.69	\$32,236	2.7	314.0	1.11	7.9
2018	249,386	2,692	276.1	105.9	1,521	\$5.01	\$11.23	\$32,626	2.5	304.7	1.16	7.8
2019	252,257	2,679	280.5	107.4	1,488	\$5.23	\$11.78	\$33,023	2.5	298.1	1.19	7.7
2020	255,056	2,651	284.8	108.8	1,452	\$5.46	\$12.35	\$33,392	2.5	294.1	1.23	7.6
2021	257,791	2,635	289.0	110.3	1,438	\$5.70	\$12.94	\$33,783	2.4	302.1	1.25	7.5
2022	260,463	2,625	293.2	111.7	1,421	\$5.95	\$13.56	\$34,194	2.5	290.2	1.26	7.5
2023	263,077	2,618	297.4	113.1	1,418	\$6.19	\$14.22	\$34,643	2.5	298.1	1.25	7.4
2024	265,624	2,606	301.7	114.5	1,419	\$6.44	\$14.90	\$35,137	2.3	282.2	1.23	7.4
2025	268,104	2,593	306.1	115.9	1,399	\$6.71	\$15.61	\$35,639	2.4	278.2	1.21	7.3
2026	270,518	2,582	310.6	117.3	1,400	\$7.00	\$16.35	\$36,121	2.4	274.3	1.20	7.2
2027	272,867	2,572	315.0	118.7	1,411	\$7.29	\$17.10	\$36,556	2.5	270.3	1.20	7.2
2028	275,159	2,566	319.4	120.1	1,395	\$7.61	\$17.90	\$36,951	2.7	275.2	1.21	7.2
2029	277,392	2,558	323.8	121.5	1,397	\$7.94	\$18.71	\$37,323	2.7	262.4	1.23	7.1
2030	279,569	2,550	328.3	122.9	1,379	\$8.27	\$19.54	\$37,693	2.6	258.4	1.23	7.0



Butte County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	67.6	3.10	2.3	4.9	2.1	11.2	3.0	5.3	1.3	10.7	6.6	14.0
1998	69.6	3.03	2.5	5.1	2.2	11.0	3.1	5.9	1.3	10.7	6.5	14.6
1999	71.7	3.10	2.8	4.9	2.2	11.3	3.4	6.2	1.4	10.8	6.8	15.1
2000	72.9	3.04	2.7	5.1	2.0	11.2	3.6	6.3	1.4	10.9	7.2	16.3
2001	74.2	2.72	2.9	4.5	2.1	11.5	3.9	6.4	1.4	11.3	7.3	16.6
2002	74.7	2.50	3.1	3.9	2.2	11.9	4.2	6.2	1.3	11.7	7.1	16.9
2003	75.3	2.61	3.4	4.0	2.2	12.0	4.3	5.6	1.4	12.2	6.9	17.0
2004	74.5	2.68	3.8	4.0	1.8	12.0	4.1	5.5	1.4	12.4	6.9	16.1
2005	76.0	2.67	4.2	4.0	1.8	12.2	4.1	5.6	1.3	12.6	7.2	16.5
2006	78.4	2.78	4.4	4.0	1.9	12.4	4.1	5.9	1.4	12.9	7.6	17.3
2007	79.8	2.83	4.5	4.1	1.9	12.5	4.2	6.1	1.4	13.1	7.8	17.6
2008	81.1	2.88	4.5	4.2	1.9	12.6	4.3	6.2	1.4	13.3	7.9	17.9
2009	82.3	2.88	4.4	4.2	1.9	12.8	4.3	6.4	1.4	13.6	8.0	18.2
2010	83.7	2.86	4.4	4.3	1.9	13.0	4.5	6.7	1.4	13.9	8.1	18.5
2011	85.3	2.85	4.3	4.3	2.0	13.2	4.6	7.1	1.4	14.2	8.2	18.8
2012	86.7	2.83	4.3	4.3	2.0	13.4	4.7	7.5	1.4	14.5	8.2	19.0
2013	88.0	2.79	4.3	4.3	2.0	13.6	4.7	7.8	1.4	14.7	8.3	19.2
2014	89.3	2.76	4.3	4.3	2.1	13.8	4.8	8.1	1.5	15.0	8.4	19.4
2015	90.5	2.72	4.3	4.3	2.1	14.0	4.9	8.3	1.5	15.3	8.5	19.6
2016	91.6	2.68	4.3	4.3	2.1	14.2	5.0	8.4	1.5	15.5	8.6	19.8
2017	92.9	2.67	4.4	4.4	2.1	14.4	5.1	8.6	1.5	15.8	8.7	19.9
2018	94.2	2.64	4.4	4.4	2.2	14.6	5.2	8.7	1.5	16.1	8.7	20.1
2019	95.4	2.61	4.5	4.4	2.2	14.8	5.3	8.9	1.5	16.4	8.8	20.3
2020	96.6	2.58	4.5	4.4	2.3	15.0	5.4	9.0	1.5	16.8	8.9	20.5
2021	97.7	2.58	4.5	4.3	2.3	15.2	5.4	9.2	1.5	17.1	8.9	20.6
2022	98.9	2.55	4.5	4.3	2.3	15.4	5.5	9.3	1.5	17.5	8.9	20.8
2023	100.2	2.55	4.5	4.3	2.4	15.6	5.6	9.5	1.5	17.9	9.0	21.0
2024	101.4	2.52	4.6	4.3	2.4	15.8	5.7	9.6	1.5	18.3	9.0	21.2
2025	102.5	2.49	4.6	4.3	2.4	16.0	5.8	9.7	1.5	18.6	9.0	21.3
2026	103.6	2.46	4.7	4.3	2.5	16.2	5.9	9.9	1.5	18.9	9.1	21.5
2027	104.7	2.43	4.7	4.3	2.5	16.3	6.0	10.0	1.5	19.2	9.1	21.7
2028	105.8	2.42	4.8	4.3	2.5	16.4	6.1	10.2	1.5	19.5	9.1	21.8
2029	106.8	2.39	4.9	4.3	2.5	16.6	6.2	10.3	1.5	19.8	9.2	22.0
2030	107.9	2.36	4.9	4.3	2.6	16.7	6.3	10.4	1.6	20.1	9.2	22.1

